



Shaping a new internationalism of enlightened self-interest

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The continuing impact of global crises shows that internationalism as we know it is not working. The existing international architecture is unsuited to today's more interdependent and multi-polar world. Shaping a new internationalism based on pragmatic positive-sum principles can help deal more effectively with major challenges while also making globalisation more beneficial for all

The world is trapped in an increasingly dense web of global crises – financial instability, global warming, spreading health risks, chronic human deprivation, and terrorism. The Doha Trade Round has stalled, and Copenhagen and Cancun failed to deliver the expected. Evidently, international cooperation isn't working well. The result is a growing trend towards "going it alone": trade and currency "wars"; the scramble for scarce natural resources; new signs of protectionism; and cultural clashes.

More than ever, the promise of the better life that today's world actually holds is being squandered, and governments are being seen as losing control.

How could a turn-around be possible? The answer in brief is by recognising that in today's world ever more national interests would best be pursued through fair international co-operation; and that opportunities exist for solving global problems in positive-sum ways. Or, put differently, by shaping a new internationalism.

First, however, why are we facing an ever lengthening list of global challenges?

Deepening policy interdependence, shifting power relations

The malfunctioning of international cooperation should not come as a surprise. Its current architecture was designed to serve a different world order – a world of relatively closed national borders with a few powerful states acting as policy-setters and many other states, often poor and newly independent, finding themselves as policy-takers.

Economic liberalisation and market integration have changed global realities. Today's world is marked by greater openness of national borders and deepening policy interdependence. More and more policy issues, previously considered only as domestic questions, now depend not only on national policy choices but also on external factors – on what other states, international market actors, global civil society, or international organisations do. Many states are only now beginning to fully realise this globalisation of public goods.

Concurrently, global power relations are shifting. New economic and political powers are emerging – Brazil, China, India, with several other countries following closely behind. Strengthening multipolarity is blurring the familiar divide between policy-setters and policy-takers, a fact to which both the conventional major powers as well as the new emerging powers appear to be adjusting with hesitation.

Add the growing and increasingly dynamic involvement of business and civil society in global affairs and it is clear that we are in a state of transition and uncertainty. Consensus is difficult to reach and problems, as we currently witness, are allowed to reach crisis proportions.

Making openness and sovereignty more compatible

A major source of political friction results from the present uncertainty about how to balance economic openness and policymaking sovereignty. Reaching a better, shared understanding of this issue, therefore, appears to be an important first step towards better national and international governance of global challenges.

Interestingly, a number of policy innovations are underway that seem to aim at defining different aspects of this balance. Most exist only in nascent forms and would, as discussed below, need further development. Among the ongoing experiments in reform are the following.

The search for a notion of responsible sovereignty

Whether one listens to debates on the 2008 world financial crisis, climate change, the H1N1 flu, or civil strife and conflict, an underpinning concern appears to be finding a new balance between the rights and duties of states, with the duty side now receiving a strengthened emphasis. Sovereignty is increasingly understood as responsible sovereignty. While external partners and global actors hold states responsible for failing to control harmful spillovers from their territory or blocking collective-action initiatives like new multilateral trade rules or caps on CO₂ emissions that others perceive as desirable and mutually advantageous, domestic constituencies protest against states' failures to live up to global norms like those of human rights and democracy or to protect them against spill-ins like cyber-based crimes or other states' beggar-thy-neighbour policies.

It is barely possible for a world of open borders to do without a notion of responsible sovereignty. The reason lies in the nature of the problems themselves. Addressing global challenges requires in most instances that many, sometimes even all countries take appropriate national-level policy action, for example, launch a vaccination campaign to help fight a pandemic or improve airport security to help control illicit trade and terrorism.

If states were to commit themselves in a credible way to a notion of responsible sovereignty and take the outside world more into account when making national policy, fewer problems might, indeed, end up on international policy agendas; and more challenges might find a solution more quickly. The incentive for them to do that would be the same that motivate most of us to respect others' freedoms: self-interest in reinforcing the normative power of the principle concerned. If all were committed to a principle of responsible sovereignty, all could also feel more assured that their own sovereignty would be respected by others.

Moves towards more open and inclusive international decision-making

The issue of responsible – more respectful yet also limited, but ultimately stronger – sovereignty is closely linked to the nature of international decision-making.

Developing countries have for some time been arguing for “no agreement on responsible sovereignty without international voice reform”. That is, without all having an effective say, especially

in determining what constitutes responsible state action and on what constitutes a violation of responsible sovereignty, then agreement on it would be difficult.

The conventional major powers have, recently, arrived for quite a different reason at the issue of more inclusive international decision-making. Their reason for suggesting, for example, the leadership forum of the G-20, was the realisation that addressing challenges like excessive financial volatility requires buy-in from the major actors, including the major emerging markets. However, the G-20 experience also shows that bringing a few more states to the decision-making table is important but not sufficient. The reason is a structural and systemic one: state failure on challenges that could have outcomes which contribute to the public good, as in fact many of today's crisis issues do.

When appearing internationally, states tend to behave just like individual actors when faced with this type of challenge: they tend to free-ride, not revealing their true preferences, avoiding firm commitments and hope that others will step forward and foot the bill.

I do not wish to be misunderstood, states are important. But, just because they are important, we must not turn a blind eye to the fact that they are fallible. They fail not only for such reasons as bureaucratic self-interest or corruption, but also for a more fundamental reason – they are individual actors representing national interests, but in a world of vast disparities and differences and often varying and conflicting preferences. Therefore, states themselves need to be tamed to tame markets - especially globalising markets - and to contribute their share to other collective-action initiatives.

The current tacit agreement among states to accept that free-riding runs counter to the notion of responsible sovereignty – to states meeting their obligation towards their own people as well as towards other states and the global community. Non-state actors could play an important role in encouraging more cooperative behaviour among states, because they often have plural, including global, affiliations (like sharing concern about global environmental sustainability). However, the Copenhagen and Cancun meetings on climate change have shown that while large “side events” of non-state actors have their place, clearer forms of interaction between state and non-state actors are required, nationally and internationally. The ongoing debate about how to combine representation with effectiveness of decision-making also point in this direction.

Importantly, domestic constituencies would need to understand that they often pay the cost of their government's free-riding on global issues when a crisis hits. Having lived through the aftermath of the 2008 financial crisis, the public in industrial countries in particular can hardly have doubts any longer about that.

Strengthened regionalism

Regionalism is another possible way of promoting enhanced participation in, and effectiveness and efficiency of, international cooperation. The number of the negotiating parties tends to be smaller, and contexts and preferences more similar, so that agreements could be more easily achievable, especially where basic territorial and geopolitical issues have been settled.

Again, reality is already pushing in this direction. The number of regional cooperation initiatives is growing. ASEAN, Mercosur, and SADEC are but a few examples of the plethora of regional bodies that have emerged in the developing world. True, many EU citizens criticise EU bodies for taking on issues formerly dealt with at the national level. Cases of over-centralisation certainly exist. But no cooperation at all may be even less desirable.

A key driver of regionalism in the developing world is development: a strengthened capacity within the regions to reach out to neighbouring countries.

Regional cooperation can be an important stepping stone towards worldwide cooperation. If further strengthened it could contribute to a flattening of global governance. Rather than being highly centralised, global governance could take on a more horizontal, regionally networked shape and help create new, expanded policy spaces. Regional entities could act as filters between the national and the global, filtering national and regional demands up and agreed upon global policy expectations down.

An added focus on mutually-beneficial, positive-sum strategies

Willingness to engage in more open international bargaining will, of course, be more forthcoming where the parties concerned see possibilities for win-win solutions. Thus, we are in some respects lucky that many challenges today have public-good attributes. Many offer significant scope for win-win solutions, because their benefits are non-rival and are there for all.

Yet, in order to see potentially non-rival solutions, we must first take off the blinkers of conventional zero-sum thinking, assess challenges through a positive-sum lens, and seek collective solutions rather than competition and conflict.

To illustrate, rather than states and firms rushing for the last drop of oil, sometimes even at high costs to local communities and the environment, more could be done, nationally and internationally, to undertake R&D on alternative energy technologies and create mechanisms, like a global fund, to support the dissemination of innovative technologies to poorer countries. Similarly, looking at the emerging scarcities in respect to water and arable land from a public good perspective could lead to new non-rival, win-win policy options rather than increasingly desperate and ruthless competition.

Also, forging agreement on norms like responsible sovereignty or fair international negotiations would mean choosing a positive-sum option, because it is likely to foster countries' willingness to cooperate which is critical to pursuing positive-sum strategies. Global agreements on these two norms, responsible sovereignty and fairness of process, would be global public goods par excellence.

Trading mutual gain for added accountability

If there was consensus that international cooperation, on the whole, ought to be mutually beneficial, it would only be fair to make agreements more binding and require more mutual accountability. This would be particularly appropriate where a bargain resembles a trade as, for example, it would, if compensatory finance were paid by some countries to others in exchange, say, for undertaking strengthened terrorism control or biodiversity preservation within their jurisdiction, over and above what they would do were they guided by national interests alone.

As country circumstances, and thus national priorities, differ, such trade in policy reform commitments is not uncommon, notably in situations where the "supplying" country holds a policy-taker position in international negotiations and its national interests may not fully overlap with those of more powerful nations.

So far, however, supplying countries have often experienced such exchanges as unfair, as they are often presented as foreign aid, offering low financial reward but requiring significant conditionality. This must and could be countered, as the realisation grows on the part of the major states that fair deals find more traction and are, in the longer run, the more effective and efficient policy path.

A new role for the state

Despite all rhetoric to the contrary, most states today have long ceased to enjoy full policymaking sovereignty. Most have responded to external policy expectations like those calling for more privatisation, labour market flexibility, and greater economic openness. However, they have done so mainly in areas where they were nudged into action by other more powerful states (based on their self-interest) or by powerful non-state actors, especially large firms operating transnationally. Thus, the provision level of global public goods that, like the multilateral trade regime, are facilitating market integration is usually higher than that of market embedding, regulating global public goods like socio-political, environmental or financial norms and standards.

So, in order for today's level of risk and volatility to subside, states now need to develop into fully-fledged broker states – and would have to be very frank and transparent about this role change (the pro-business-oriented beginnings of which most people have, in any case, noticed and often resented). States would need to convincingly explain when and why international cooperation – or, perhaps in other instances, non-cooperation – is good for the country, particularly what the national costs and benefits are and how they will be shared. Importantly, they would need to have clearer strategies for how people can be secure, despite the more intense international competition that greater economic openness entails.

Evidently, economic openness was promoted without due consideration being given to its full implications, including how non-economic policy aspects could become less idiosyncratic, less national and more open, and based on shared global norms and standards.

The missing link: a new internationalism

To conclude, in order to disentangle ourselves any time soon from the increasingly dense web of global crises - including first and foremost the global crisis of governments losing control - and benefit from globalising markets without paying the costs we have so far incurred, then political openness, that is, more cross-border cooperation, has to complement economic openness, especially in market-embedding policy fields.

Put more simply, a new internationalism is needed, based on the recognition that under conditions of economic openness national interests, particularly those pertaining to global public-good type challenges, are often best pursued through fair international cooperation.

Such internationalism is sorely lacking today. However, as shown here, change is underway on which further reforms could build.

This is not to say that we will, or ought to, head into an era of mere positive-sum thinking. Rivalry among states, firms, and people is likely to continue. Efforts at finding common solutions to global

problems will complement not replace foreign affairs, military security, or foreign aid; and they should also not overshadow the importance of the state's role in providing pure national and local public goods.

However, more and more policy concerns are global, affecting us all, for better or worse, and we need to find ways of addressing them more effectively, efficiently and equitably. A new internationalism – keeping the outside world in mind when formulating national policy and recognising that fairness must also apply internationally – could help us accomplish that.

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